# Exhibit G Attached to and made a part of the Putu Unit Agreement Initial Unit Plan

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DIVISION OF OIL AND GAS

(revised June 14, 2011)

#### 1.0 INTRODUCTION

This Initial Unit Plan of the Putu Unit is submitted by Brooks Range Petroleum Corporation ("BRPC"), as Operator, to the Department of Natural Resources as required by Article 8 of the Putu Unit Agreement, 11 AAC 83.341, and 11 AAC 83.343. This Putu Unit Initial Unit Plan addresses the following:

- 1) proposed development activities for the unit, including plans to delineate all underlying oil or gas reservoirs, bring the reservoirs into production, and maintain and enhance production once established;
- 2) plans for the exploration or delineation of any land in the unit not included in a participating area;
- 3) details of the proposed operations for at least one year following submission of the plan; and
- 4) the surface location of proposed facilities, drill pads, roads, material sites, waste disposal sites, water supplies, and any other operation or facilities necessary for unit operations.

The term of this Initial Unit Plan shall be for a period commencing on the Effective Date of the Putu Unit Agreement and ending on March 31, 2016, being five years after the Effective Date of the Putu Unit Agreement, unless the unit terminates before that date, in which case, the Initial Unit Plan expires with the unit termination. If BRPC is unable to fulfill any of the terms and commitments in the Initial Unit Plan, Putu Unit terminates, except as to Tracts or portions of Tracts included in an approved Participating Area or in an application for a Participating Area. Effective on April 1<sup>st</sup> of the year the Putu Unit terminates, the WIOs shall surrender all Leases not in an approved Participating Area, or an application for a Participating Area within the Putu Unit, whose primary terms have expired. Also effective as April 1<sup>st</sup> of the year the Putu Unit terminates, the WIOs waive the extension provisions of 11 AAC 83.140 and Article 15, and the notice and hearing provision of 11 AAC 83.374

#### 2.0 PROPOSED DEVELOPMENT ACTIVITIES:

BRPC hereby proposes the Tofkat Development Project, subject to final working interest owner approval/sanctioning. The proposed Tofkat Development Project will produce oil from the Tofkat potential hydrocarbon accumulation, being a Kuparuk formation reservoir, located within the Putu Unit. The Tofkat potential hydrocarbon accumulation was encountered while drilling the Tofkat #1 well drilled during the 2008 winter drilling

season. The proposed Tofkat Development Project is close to existing Colville River Unit infrastructure and the Alpine Pipeline, which is a common carrier pipeline. Subject to finalization of the Tofkat Development Project conceptual engineering, BRPC's current plan is to use stand alone processing facilities delivering sales quality crude into the common carrier Alpine Pipeline. The proposed Tofkat Development Project will create a vital processing facility for the Putu Unit, providing synergies which will lower the economic hurdle allowing other potential hydrocarbon accumulation within Putu Unit to be developed. The other potential hydrocarbon accumulations are currently believed to be marginally economic and would not be developed without existing infrastructure and processing facility within Putu Unit. Likewise, future development of the other potential hydrocarbon accumulation within Putu Unit using the Tofkat processing infrastructure will extend the economic life of Tofkat production. The symbiotic relationship between all of the potential hydrocarbon accumulations within the Putu Unit promotes the conservation of natural resources and prevents economic and physical waste.

Horizontal drilling technology and long-reach wells will be used to maximize production while minimizing surface impacts. Use of horizontal drilling technology will reduce the environmental impact of developments within the Putu Unit.

The development plans for the Putu Unit include the following commitments:

- a) By December 31, 2013, BPRC will have the permits in place for the proposed Tofkat Development.
- b) By December 31, 2014, BRPC will apply to the Commissioner to form the Tofkat Participating Area.
- c) By July 1, 2015, BRPC anticipates first production from the Tofkat Participate Area.

By August 31 of each year, BRPC will submit an annual report to the Commissioner, and will schedule an annual meeting with the Division of Oil & Gas to present technical information and discuss unit operations. Ninety days before the expiration of the Initial Unit Plan, BRPC will submit a new Unit Plan.

#### 3.0 PROPOSED EXPLORATION ACTIVITIES

The Working Interest Owners plan to proceed with the exploration activities described below as the Initial Plan of Exploration within the Putu Unit Area:

a) The Putu Unit Area shall be divided in to three (3) acreage blocks hereinafter referred to as "Exploration Blocks" being as described below:

#### 1. North Exploration Block:

Tract 01: ADL390674

Tract 02: ADL390674

Tract 03: ADL390675

Tract 04: ADL390675

Tract 05: ADL391536

Tract 06: ADL390672

Tract 07: ADL391535

Tract 08: ADL390673

Tract 09: ADL390677

Tract 10: ADL391537

Tract 11: ADL391016

Tract 12: ADL391537

Tract 13: ADL391015

Tract 14: ADL390676

Tract 14. ADL390070

Tract 15: ADL390676

Tract 16: ADL390676

Tract 17: ADL390677

Tract 18: ADL391537

Tract 19: ADL391016

Tract 20: ADL390679

Tract 21: ADL390678

Tract 22: ADL390678

Tract 23: ADL391203

Tract 24: ADL391203

Tract 25: ADL390678

Tract 26: ADL391204

Tract 27: ADL391205

Tract 28: ADL391538

#### 2. Southwest Exploration Block:

Tract 29: ADL391195

Tract 30: ADL391194

Tract 35: ADL391197

Tract 36: ADL391198

Tract 37: ADL391201

Tract 38: ADL391200

#### 3. Southeast Exploration Block:

Tract 31: ADL391193

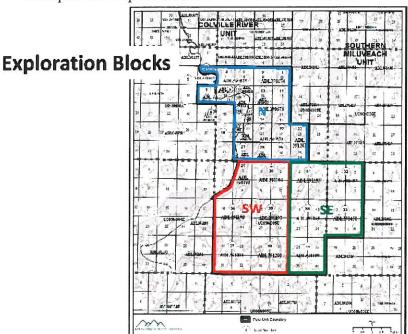
Tract 32: ADL390457

Tract 33: ADL390458

Tract 34: ADL391196

Tract 39: ADL391199

b) A map of the Exploration Blocks is attached below:



- c) The first well drilled in each Exploration Block after the Putu Unit Agreement application has been submitted to the Department of Natural Resources for approval shall hereinafter be defined as an "Exploration Well." The second well drilled in each Exploration Block shall hereinafter be defined as a "Delineation Well." Sidetracks or well branches of an Exploration Well will not constitute a Delineation Well.
- d) On or before December 1, 2012, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 1<sup>st</sup> Exploration Well in one of the Exploration Blocks. On or before March 31, 2013, the Working Interest Owners plan to commence drilling operations of the 1<sup>st</sup> Exploration Well in one of the Exploration Blocks. Failure to commence drilling the 1<sup>st</sup> Exploration Well by March 31, 2013, shall result in the termination of the Putu Unit, except as to Leases or portions of Leases included in a Participating Area.
- e) On or before December 1, 2013, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 2<sup>nd</sup> Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in the Exploration Block already drilled. On or before March 31, 2014, the Working Interest Owners plan to commence drilling operations of the 2<sup>nd</sup> Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in the Exploration Block already drilled. Failure to commence drilling the 2<sup>nd</sup> Exploration Well or a Delineation Well by March 31, 2014, shall result in the termination of the undrilled Exploration Blocks within the Putu Unit Area, except as to Leases or portions of Leases included in a Participating Area.

- On or before December 1, 2014, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 3<sup>rd</sup> Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in an Exploration Block already drilled. On or before March 31, 2015, the Working Interest Owners plan to commence drilling operations of the 3<sup>rd</sup> Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in an Exploration Block already drilled. Failure to commence drilling the 3<sup>rd</sup> Exploration Well or a Delineation Well by March 31, 2015, shall result in the termination of the undrilled Exploration Blocks within the Putu Unit Area, except as to Leases or portions of Leases included in a Participating Area.
- g) The Second Unit Plan must receive approval from the Department of Natural Resources by April 1, 2016.
- h) On or before December 1, 2016, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 4<sup>th</sup> Well, hereinafter defined as either an Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in an Exploration Block already drilled. On or before March 31, 2017, the Working Interest Owners plan to commence drilling operations of the 4<sup>th</sup> Well. Failure to commence drilling the 4<sup>th</sup> Well by March 31, 2017, shall result in the termination of the Putu Unit Area, except as to Leases or portions of Leases included in a Participating Area.
- i) On or before December 1, 2018, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 5<sup>th</sup> Well, hereinafter defined as either an Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in an Exploration Block already drilled. On or before March 31, 2019, the Working Interest Owners plan to commence drilling operations of the 5<sup>th</sup> Well. Failure to commence drilling the 5<sup>th</sup> Well by March 31, 2019, shall result in the termination of the Putu Unit Area, except as to Leases or portions of Leases included in a Participating Area.
- j) On or before December 1, 2020, the Working Interest Owners plan to identify a bottom hole location and commit, in writing, to drill the 6<sup>th</sup> Well, hereinafter defined as either an Exploration Well in one of the undrilled Exploration Blocks or a Delineation Well in an Exploration Block already drilled. On or before March 31, 2021, the Working Interest Owners plan to commence drilling operations of the 6<sup>th</sup> Well. Failure to commence drilling the 6<sup>th</sup> Well by March 31, 2021, shall result in the termination of the Putu Unit Area, except as to Leases or portions of Leases included in a Participating Area.
- k) The current priority of drilling Exploration Wells and Delineation Wells within Putu Unit is as follows:
  - a. N Exploration Block (Kuparuk formation, Tract 13, Section 16, T10N, R5E, U.M.)
  - b. N Exploration Block (Kuparuk formation, Tract 6, Section 12, T10N, R4E, U.M.);

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- c. SE Exploration Block (Kuparuk formation, Tract 34, Section 23, T9N, R5E, U.M.);
- d. SW Exploration Block (Alpine formation, Tract 36, Section 18, T9N, R5E, U.M.);
- e. SW Exploration Block (Alpine formation, Tract 37, Section 30, T9N, R5E, U.M.); and
- f. SE Exploration Block (Alpine formation, Tract 31, Section 2, T9N, R5E, U.M.).

#### 4.0 PROPOSED OPERATION ACTIVITIES

Before October 1, 2012, BRPC will submit a detailed Plan of Operations for the 2012/2013 winter exploration drilling season to the Alaska Department of Natural Resources, Division of Oil and Gas (DO&G) in support of its permit applications. Said Plan of Operations will focus on drilling the Tofkat #2 Exploration Well. Drilling activities will take place on the surface within Putu Unit Tract 13, ADL391015, currently owned by AVCG (30%), TG World Energy (25%), Ramshorn Investments (25%), and Brooks Range Development Corporation (20%). BRPC, a subsidiary of the AVCG, will be the operator for the proposed Tofkat #2 Exploration Program.

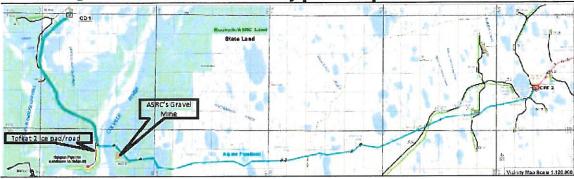
The 2012-2013 Putu Unit Operations Program would include the following major activities:

- Summer helicopter travel and landing to conduct site clearance field studies for winter exploration ice pad/road location (survey, & archeology)
- Traveling on tundra via Rolligon or similar tundra-approved vehicle to pre-pack ice road alignment;
- Clearing snow from approved sources for water and ice;
- Collecting water and ice aggregate from approved sources;
- Constructing approximately 1.5 miles of ice road from annual Alpine ice road to the ice pad location;
- Constructing the ice drill pad;
- Drilling the Tofkat #2 Exploration Well;
- Possibly perform production flow test.

All required State of Alaska and North Slope Borough permits required for proposed 2012-2013 work will be prepared and submitted to appropriate agencies for the upcoming exploration season during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2012.

Attached below are maps showing the proposed ice road and pad:

Tofkat #2 ice road/pad & possible Gravel



## 1

### Tofkat #2 ice road and ice pad



#### 5.0 SURFACE LOCATION OF PROPOSED FACILITIES

Attached above is a map showing the surface location of the proposed ice road, ice pad, and potential gravel material site. Alternative routes for gravel road access to the future Tofkat gravel drill pad will be evaluated during the summer of 2012. Attached below is a map showing the current Temporary Water Use Permits held by BRPC within Putu Unit. Additional TWUPs will be acquired in support of the drilling of the Tofkat #2 Exploration Well.

## Tofkat #2 ice road and ice pad with permitted water sources

